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RUEHKO/AMEMBASSY TOKYO 1472  
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C O N F I D E N T I A L SECTION 01 OF 03 JAKARTA 000204

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DEPT FOR EAP, EAP/MTS, EAP/MLS, INR/EAP, S/CT  
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TAGS: [PREL](#) [PGOV](#) [ECON](#) [PTER](#) [ID](#) [IR](#)  
SUBJECT: INDONESIA'S 2009 ELECTIONS AND IMPACT ON U.S.  
INTERESTS

REF: JAKARTA 0040 AND PREVIOUS

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Classified By: Pol/C Joseph Legend Novak, reasons 1.4(b+d).

11. (C) SUMMARY: Indonesia's 2009 presidential election campaign is underway and issues we care about such as counter-terrorism, commodity prices, anti-corruption, and Iran will play a role. President Yudhoyono (SBY) will respond to election pyrotechnics by minimizing risk to preserve his current advantage in the polls. His caution aside, SBY remains the most reform-minded, internationalist candidate out there and we need to continue to find ways to support his reform program. Overall, the electoral process has mixed implications for the USG that we need to be aware of in coming months as we press our policies. END SUMMARY.

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ELECTORAL COUNTDOWN  
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12. (C) As Mission has reported, Indonesia is moving into campaign mode for the 2009 presidential and legislative elections. Though the presidential elections are 18 months away, numerous candidates have already thrown their hats into the ring, including former president Megawati, former Jakarta Governor Sutiyoso and former general Wiranto. President Yudhoyono has not yet announced his intentions, but everyone expects that he will run again and opinion polls show that he remains relatively popular. Based on the comments of observers, 2008 will be a busy year politically as candidates build up their organizations in pursuit of the presidency. What follows is a brief glimpse of how the electoral process will impact USG interests in Indonesia.

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WHERE THE CAMPAIGN WILL HELP  
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13. (C) COUNTER-TERRORISM: The political winds in Indonesia have shifted on this issue in recent years to the point that

the majority of the Indonesian electorate fully supports the government's CT efforts. Exhibits in this encouraging phenomenon were the GOI's successful raids against JI operatives in January, March and June of 2007, raids which resulted in the death or detention of dozens of key JI operatives. In the wake of each of these operations, radical elements sought to generate a public backlash against the GOI actions, only to find that there was little public support for the terrorists.

¶4. (C) The Indonesian National Police (INP) have been even-handed in its CT approach--going after Christian and Muslim radicals alike--and has mostly muted radicals bent on portraying the INP as "anti-Islamic." President Yudhoyono will be able to continue to prosecute the war on terror in Indonesia without damaging his popularity or undercutting his re-election prospects as long as he portrays it as in Indonesia's best interests, rather than a response to U.S. or international pressure. Further successful police operations in the lead-up to the election should enhance his electoral prospects.

¶5. (C) U.S. AGRICULTURAL EXPORTS: High and rising prices of agricultural commodities have a strong negative impact on Indonesia's poor, who must devote ever larger shares of their disposable incomes to food purchases. In an effort to reduce prices of foodstuffs, President Yudhoyono recently ordered the suspension of the government's ten percent tariff on soybeans (Indonesia imports 70 percent of its soybeans; 80 percent of those imports come from the U.S.). To meet consumer demand, President Yudhoyono will support further policy changes which make food imports cheaper or increase Indonesia's ability to increase production. This will offer us opportunities to increase our agricultural exports and, possibly, to promote the use of biotechnology.

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WHERE THE CAMPAIGN WILL HURT  
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¶6. (C) IRAN: President Yudhoyono came under swift and unrelenting criticism in the Indonesian parliament following the GOI's vote for UN Security Council Resolution 1747 in March. Notwithstanding repeated GOI attempts to explain the vote, a vocal group of legislators successfully framed the debate as abetting what they characterized as an aggressively anti-Muslim U.S. policy towards Iran. SBY was dogged by the issue for several months and nearly compelled to explain the vote in person before a full session of parliament. UNSCR 1747 wounds are still fresh for the President and he will tread carefully regarding any possible Iran-related resolutions in the future, especially given the recent USG National Intelligence Estimate.

¶7. (C) RELIGIOUS TOLERANCE: President Yudhoyono has earned a reputation as a strong advocate for religious tolerance and diversity. On his watch, religious tensions have abated in several notorious hotspots throughout the country, and as a relatively liberal practitioner of the Islamic faith, he has won the respect of Indonesia's Muslim and non-Muslim communities. Nevertheless, SBY's precarious political position (his party is only the fourth largest in the country) will necessitate a pre-election shift to the right in an effort to enlist the support of some of Indonesia's conservative Islamic parties. Barring a dramatic political breakthrough with one of Indonesia's two largest parties--the secular and nationalist Golkar and PDI-P parties--the President will be forced to reach accommodations with one or more Islamic parties simply to run. While this will not precipitate a full fledged reversal on the religious freedom issue, the President will be forced to pander to conservative Islamic elements in the short-term.

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18. (C) ANTI-CORRUPTION: SBY swept into office in 2004 largely on the strength of his image as a clean, reform-minded politician unsullied by the taint of money politics. Though the President's critics argue that SBY has failed to deliver on his promise of wholesale reform, his administration has registered enough incremental victories in the battle against corruption that his reputation for cleanliness remains intact.

19. (C) While anti-corruption will figure prominently on the campaign trail for the President, the fight will continue to be relatively small in scale and involve the prosecution of minor corruptors. The President has been reluctant thus far to pursue the country's biggest, most high-profile perpetrators of corruption, and this phenomenon will not change during the campaign season. His reliance on a small coterie of advisors and financiers for his campaign war chest further diminishes the likelihood of a serious anti-corruption effort against incumbent officials. If the President eventually opts to take the anti-corruption fight to the next level by pursuing elite, entrenched interests, it will not happen until a possible second term. For now, in the lead-up to the election, the current anti-corruption effort will remain unchanged.

SUPPORTING SBY'S REFORM PROGRAM

110. (C) As with most politicians facing an election, the issue of political survival will increasingly occupy President Yudhoyono's time as the 2009 election approaches. SBY enjoys a relatively comfortable position in the polls right now and will not be eager to jeopardize this advantage by pursuing controversial reforms. The best tack for the USG

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during the prolonged campaign is to look for opportunities to boost SBY's reform agenda while having a thick skin when things don't go our way. With no other candidate on the horizon better suited to push Indonesia in the right direction domestically and internationally, SBY's program warrants our continued support. One possible gesture this summer or fall would be a White House special invitation for an official SBY visit to the U.S.

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